DEFENSE LOGISTICS AGENCY

BUSINESS SYSTEMS MODERNIZATION

A Briefing at Air Force Day

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Outline

BACKGROUND

VISION

ACTIONS

PARTNERS

- Why BSM…and Why Now
- The BSM Vision
- Completed/Future Actions
- BSM and the AF/DLA Partnership

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National Defense Policy *Drivers*

- **Defense Planning Guidance mandates implementation Joint Vision 2010 Concept of "Focused Logistics…*Increased responsiveness, visibility, and accessibility of logistics resources***
- **Use of innovative Information Technology (IT) and responsive/reliable logistics systems needed to achieve "Focused Logistics"**
- **DLA needs to achieve Joint Desired Operational Capability (JDOC) FL17….*Provide support to meet CINC/War-fighter operational requirements***

Agile Infrastructure

Mission Deficiencies

- Current system does not meet current and future operational needs
- Does not support DoD Logistics and DLA Strategic Plans
- Does not support changing business rules
- Obsolete code and outdated/inflexible technology
- No real-time access to logistics data
- High maintenance costs, increasing unreliability

Legacy environment does not support Joint Vision 2010 "Agile Infrastructure"

Required Capabilities

- Interoperating with existing and evolving CINC, Service, and Agency systems.
- An expanded “supply chain” (organic sector, private sector, customers).
- Visibility and access to global inventories and manufacturing capability.
- Better customer information.
- Support Services in achieving performance goals (e.g. weapons system availability.
- Continuous improvement in DLA business practices.
- Deliver and sustain world-class performance.

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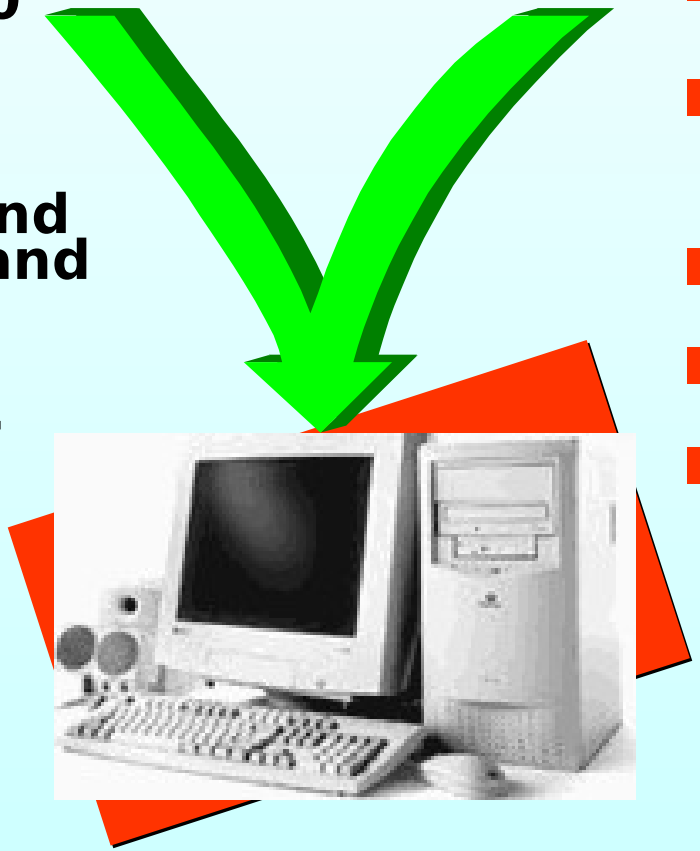
Why BSM…and Why Now?

External Environment

- Joint Vision 2010
- DoD Logistics Strategic Plan
- Customer Demand for Reliability and Responsiveness
- eBusiness, Web, ERP/APS



Internal Environm

- DLA Strategic P
- Enterprise-Wide Re-engineerin
- SAMMS Fragile
- SAMMS Re-Host
- CDA Disestablis

Terms and Definitions

Enterprise Resource Planning

Enterprise Resource Planning (ERP) is defined as a set of application software that brings ordering, financials, distribution and other business functions into balance.

Advanced Planning and Scheduling

Advanced Planning and Scheduling (APS) is also known as Supply Chain Planning Systems. These systems provide enhanced “bolt-on” functionality for demand/forecasting and supply/asset management.

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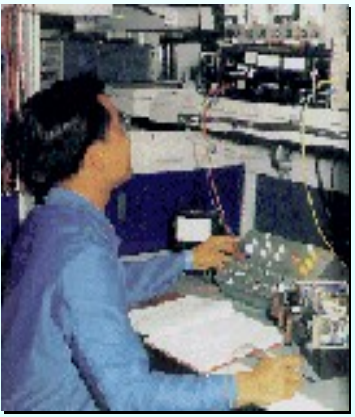
Business Systems Modernization



Traditional

- Functional Requirements
- Manager of "Supplies"
- Mobilize "via Inventory"
- Instantaneous Buys
- Stove-piped Systems
- "Build" Software

Re-Engineered

- Outcome Oriented
- Manager of "Suppliers"
- Mobilize "via Industry"
- Long-term Partnerships
- Open Architecture
- "Buy/Assemble" Software

An "Agile Infrastructure"…

"The adoption, within the DoD, of the best practices of the commercial market place, resulting in continuously improving logistics operations, cost savings/avoidance, and process cycle reductions."

The BSM Vision

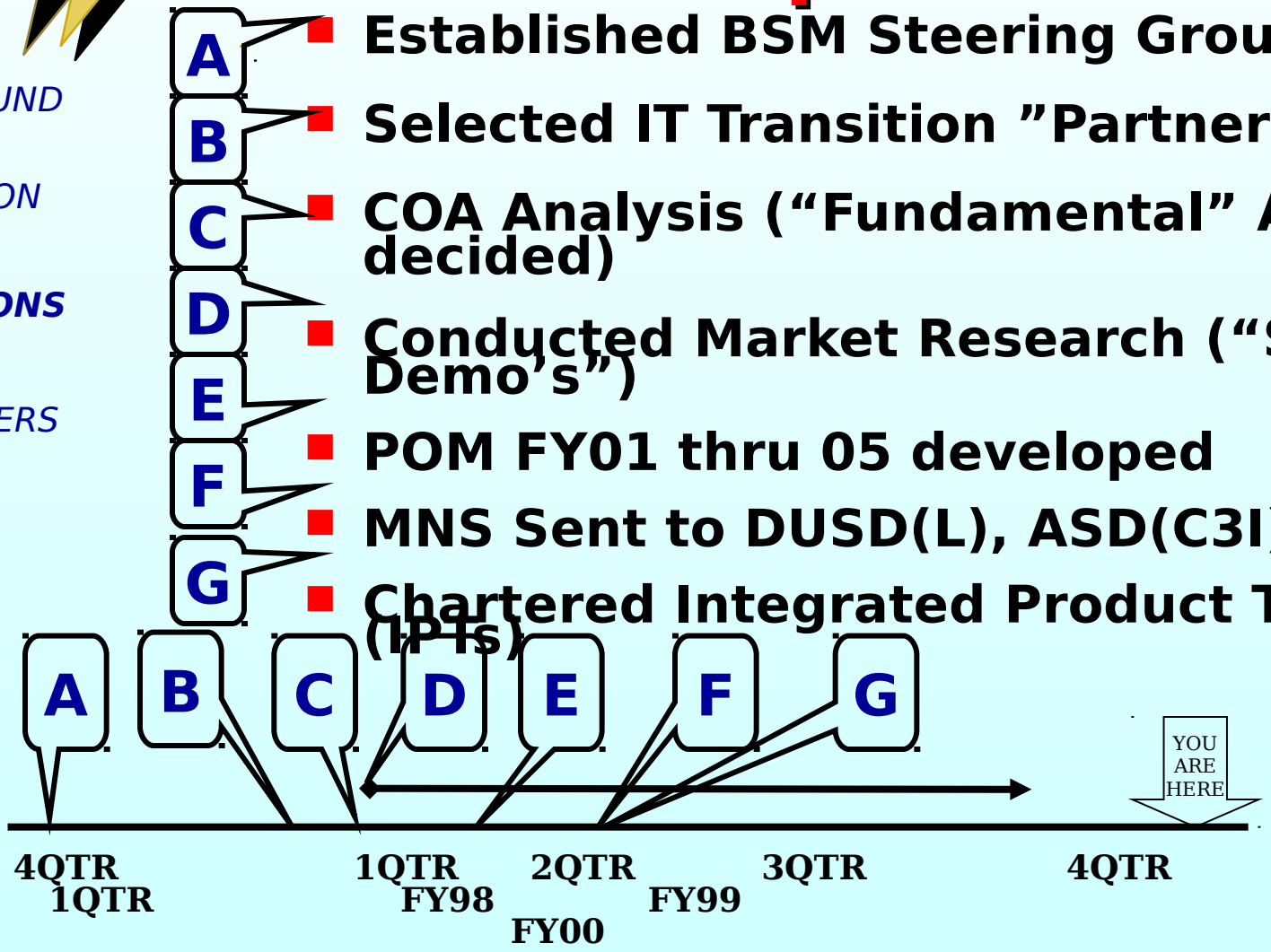
DLA's mission-critical legacy systems are replaced with a new enterprise computing environment based on commercial-off-the-shelf (COTS) software packages

Likelihood of Meeting Goals and Objectives

Required Capability	MNS Need	Modify SAMMS ("existing")	Incremental ("Buy/Build")	Fundamental ("COTS Solution")
Total Supply Chain View	✓		P	✓
Visibility and Access	✓	P	P	✓
Better Customer Information	✓		✓	✓
Support Service PMs	✓		P	✓
Best Commercial Practices	✓		P	✓
Improved Workforce Decision Tools	✓	✓	✓	✓
Interoperability	✓	✓	✓	✓

Actions Completed

- Established BSM Steering Group
- Selected IT Transition ”Partner”
- COA Analysis (“Fundamental” Approach decided)
- Conducted Market Research (“Scripted Demo’s”)
- POM FY01 thru 05 developed
- MNS Sent to DUSD(L), ASD(C3I), JROC
- Chartered Integrated Product Teams (IPTs)



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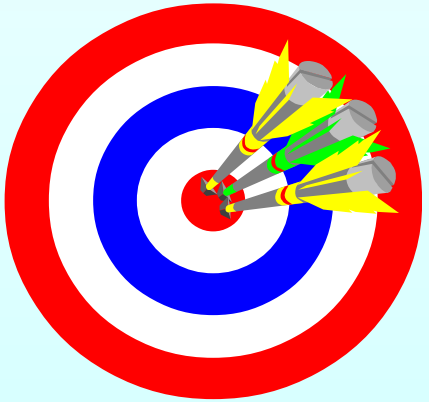
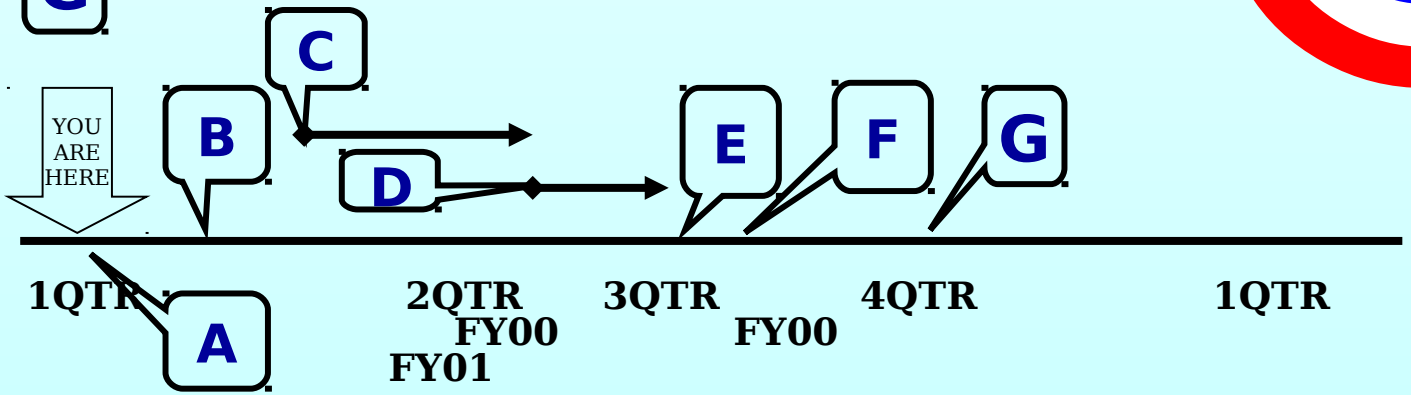
Future Actions

- Milestone 0 approval
- ORD into JROC
- SI Engagement
- SI Evaluation
- Milestone “1/2A”
- SI Award
- Begin Concept Demo Phase





The Air Force/DLA BSM Partnership

- ☑ MNS review (HQ USAF/XORI, XOJR, XORD, TEP, AORT, AQS)
  - ➔AF concurred and recognized BSM as “Joint Interest”
  - ➔Highlighted need to interoperate with GCSS
- ☐ ORD Review (Jan - Jun 00)
  - ➔Air Force information exchange requirements (high level)
  - ➔Joint information exchange requirements (high level)
- ☐ Air Force BSM Point-of-Contact (Development of information exchange specifications)

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Summary… Bottom Line

- DLA Leaders are Serious about Retiring SAMMS
- Stakeholders/Customers are Expecting Better Results
- Employees Deserve Better Tools
- BSM Means Change…
  - → System
  - → Processes
  - → Work
  - → Level of Engagement!

Culture Must Change